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For decision

United Nations Children's Fund
Executive Board
First regular session 2018
6–8 February 2018
Agenda item 10

Draft decision submitted to the Executive Board

UNICEF financial report and audited financial statements for the year ended 31 December 2016 and report of the Board of Auditors

The Executive Board

1. *Takes note* of the report of the Board of Auditors for the financial period that ended on 31 December 2016 (A/72/5/Add.3) as well as recommendations from prior years;

2. *Notes* the 2016 unqualified audit opinion issued by the United Nations Board of Auditors for UNICEF;

3. *Also notes* the finding of the Board of Auditors that UNICEF has, in recent years, taken steps to strengthen financial and managerial control over its operations;

4. *Encourages* UNICEF to prioritize the implementation of the seven main audit recommendations identified by the Board of Auditors for the year ended 31 December 2016;

5. *Also encourages* UNICEF to fully address outstanding recommendations from previous reports of the Board of Auditors, and in particular to strengthen efforts to tackle areas of recurring audit recommendations;

6. *Requests* UNICEF to continue its efforts to prevent and detect instances of fraud, to thoroughly review the underlying circumstances that led to the cases of fraud in order to minimize future risks and to take steps to improve actions for the recovery of funds;

7. *Also requests* the Executive Director to provide a separate management response to the key findings and recommendations of the annual report of the Board of Auditors, and to submit this report to the Executive Board, along with the annual report of the Board of Auditors, starting with the first regular session of 2019.

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